

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1097 be amended to read as follows:

- 1 Page 2, between lines 6 and 7, begin a new paragraph and insert:
2 "SECTION 1. IC 6-1.1-12-18 IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 18. (a) If the
4 assessed value of residential real property described in subsection (d)
5 is increased because ~~it~~ **the property** has been rehabilitated, the owner
6 may have deducted from the assessed value of the property an amount
7 not to exceed the lesser of:
8 (1) the total increase in assessed value resulting from the
9 rehabilitation; or
10 (2) eighteen thousand seven hundred twenty dollars (\$18,720) per
11 rehabilitated dwelling unit.
12 The owner is entitled to this deduction annually for a five (5) year
13 period.
14 (b) For purposes of this section, the term "rehabilitation" means
15 ~~significant~~ repairs, replacements, **remodelings, additions, or other**
16 improvements to an existing structure ~~which are intended to that~~
17 increase the ~~livability, utility, safety, or~~ value of the property. ~~under~~
18 ~~rules adopted by the department of local government finance.~~
19 (c) For the purposes of this section, the term "owner" or "property
20 owner" includes any person who has the legal obligation, or has
21 otherwise assumed the obligation, to pay the real property taxes on the
22 rehabilitated property.
23 (d) The deduction provided by this section applies only for the
24 rehabilitation of residential real property which is located within this
25 state and which is described in one (1) of the following classifications:

(1) a single family dwelling if before rehabilitation the assessed value (excluding any exemptions or deductions) of the improvements does not exceed thirty-seven thousand four hundred forty dollars (\$37,440);

(2) a two (2) family dwelling if before rehabilitation the assessed value (excluding exemptions or deductions) of the improvements does not exceed forty-nine thousand nine hundred twenty dollars (\$49,920); and

(3) a dwelling with more than two (2) family units if before rehabilitation the assessed value (excluding any exemptions or deductions) of the improvements does not exceed eighteen thousand seven hundred twenty dollars (\$18,720) per dwelling unit.

(e) If an assessed value increase referred to in subsection (a) is attributable to both rehabilitation and:

(1) a general reassessment of real property under IC 6-1.1-4-4; or

(2) an annual adjustment of the assessed value of real property under IC 6-1.1-4-4.5;

the township assessor shall determine the amount of the increase attributable to rehabilitation to determine the deduction provided by this section. In making the determination under this subsection, the township assessor shall consider any information contained in the application under section 20(e) of this chapter.

SECTION 2. IC 6-1.1-12-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 19. **(a) Except as provided in subsection (b), the deduction from assessed value provided by section 18 of this chapter is first available in the year in which the increase in assessed value resulting from the rehabilitation occurs and ~~shall continue~~ continues for each of the immediately following four (4) years in the sixth (6th) year; the county auditor shall add the amount of the deduction to the assessed value of the real property which the property owner remains the owner of the property as of the assessment date.**

(b) A property owner may:

(1) in a year after the year in which the increase in assessed value resulting from the rehabilitation occurs, obtain a deduction that:

(A) would otherwise first apply for the assessment date in 2005 or a later year; and

(B) was not made to the assessed value for any year; or

(2) obtain a deduction that:

(A) would otherwise have first applied for the assessment date in 2004 or an earlier year; and

(B) was not made to the assessed value for any year.

If the property owner obtains a deduction under this subsection, the deduction applies in the year for which the application is filed

and continues for each of the immediately following four (4) years in which the property owner remains the owner of the property as of the assessment date.

(c) A general reassessment of real property which occurs within the five (5) year period of the deduction does not affect the amount of the deduction.

SECTION 3. IC 6-1.1-12-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 20. (a) A property owner who desires to obtain the deduction provided by section 18 of this chapter must file a certified deduction application, on forms prescribed by the department of local government finance, with the auditor of the county in which the rehabilitated property is located. The application may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. Except as provided in subsection (b) **or (c)**, the application must be filed before May 10 of the year in which the addition to assessed value is made.

(b) If notice of the addition to assessed value for any year is not given to the property owner before April 10 of that year, the application required by ~~this section~~ **subsection (a)** may be filed not later than thirty (30) days after the date ~~such a~~ **the** notice is mailed to the property owner at the address shown on the records of the township assessor.

(c) An application for a deduction referred to in section 19(b) of this chapter with respect to an assessment date must be filed before the May 10 that next follows the assessment date.

~~(c)~~ **(d)** The application required by this section shall contain the following information:

- (1) A description of the property for which a deduction is claimed in sufficient detail to afford identification.
- (2) Statements of the ownership of the property.
- (3) The assessed value of the improvements on the property before rehabilitation.
- (4) The number of dwelling units on the property.
- (5) The number of dwelling units rehabilitated.
- (6) The increase in assessed value resulting from the rehabilitation. ~~and~~
- (7) The amount of deduction claimed.

(e) The application required by this section may contain information to assist the township assessor in making the determination under section 18(e) of this chapter, including:

- (1) fair market value appraisals before and after the rehabilitation; and**
- (2) general market data on the extent to which particular types of rehabilitation add to the value of a dwelling.**

~~(d)~~ **(f)** A deduction application filed under this section is applicable for:

- (1) the year in for which the increase in assessed value occurs deduction application is filed; and for**

(2) each of the immediately following four (4) years in which the property owner remains the owner of the property as of the assessment date;

without any additional application being filed.

~~(e)~~ **(g)** On verification of an application by the assessor of the township in which the property is located, the county auditor shall make the deduction.

SECTION 4. IC 6-1.1-12-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 22. (a) If the assessed value of property is increased because ~~it~~ **the property** has been rehabilitated and the owner has paid at least ten thousand dollars (\$10,000) for the rehabilitation, the owner is entitled to have deducted from the assessed value of the property an amount equal to fifty percent (50%) of the increase in assessed value resulting from the rehabilitation. The owner is entitled to this deduction annually for a five (5) year period. However, the maximum deduction which a property owner may receive under this section for a particular year is:

(1) one hundred twenty-four thousand eight hundred dollars (\$124,800) for a single family dwelling unit; or

(2) three hundred thousand dollars (\$300,000) for any other type of property.

(b) For purposes of this section, the term "property" means a building or structure which was erected at least fifty (50) years before the date of application for the deduction provided by this section. The term "property" does not include land.

(c) For purposes of this section, the term "rehabilitation" means ~~significant~~ repairs, replacements, **remodelings, additions, or other** improvements to an existing structure that ~~are intended to~~ increase the ~~livability, utility, safety, or~~ value of the property. ~~under rules adopted by the department of local government finance.~~

(d) If an assessed value increase referred to in subsection (a) is attributable to both rehabilitation and:

(1) a general reassessment of real property under IC 6-1.1-4-4;

or

(2) an annual adjustment of the assessed value of real property under IC 6-1.1-4-4.5;

the township assessor shall determine the amount of the increase attributable to rehabilitation to determine the deduction provided by this section. In making the determination under this subsection, the township assessor shall consider any information contained in the application under section 24(e) of this chapter.

SECTION 5. IC 6-1.1-12-23 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 23. **(a) Except as provided in subsection (b),** the deduction from assessed value provided by section 22 of this chapter is first available ~~after the first assessment date following in the year in which the increase in assessed value resulting from the rehabilitation occurs and shall~~

continue ~~continues~~ for the taxes first due and payable in each of the immediately following five (5) ~~four~~ (4) years in the sixth (6th) year; the county auditor shall add the amount of the deduction to the assessed value of the property; ~~which the property owner remains the owner of the property as of the assessment date.~~

(b) A property owner may:

(1) in a year after the year in which the increase in assessed value resulting from the rehabilitation occurs, obtain a deduction that:

(A) would otherwise first apply for the assessment date in 2005 or a later year; and

(B) was not made to the assessed value for any year; or

(2) obtain a deduction that:

(A) would otherwise have first applied for the assessment date in 2004 or an earlier year; and

(B) was not made to the assessed value for any year.

If the property owner obtains a deduction under this subsection, the deduction applies in the year for which the application is filed and continues for each of the immediately following four (4) years in which the property owner remains the owner of the property as of the assessment date.

(c) Any general reassessment of real property which occurs within the five (5) year period of the deduction does not affect the amount of the deduction.

SECTION 6. IC 6-1.1-12-24 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 24. (a) A property owner who desires to obtain the deduction provided by section 22 of this chapter must file a certified deduction application, on forms prescribed by the department of local government finance, with the auditor of the county in which the property is located. The application may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. Except as provided in subsection (b) ~~or~~ (c), the application must be filed before May 10 of the year in which the addition to assessed ~~valuation~~ value is made.

(b) If notice of the addition to assessed ~~valuation~~ value for any year is not given to the property owner before April 10 of that year, the application required by this ~~section~~ subsection (a) may be filed not later than thirty (30) days after the date such a notice is mailed to the property owner at the address shown on the records of the township assessor.

(c) An application for a deduction referred to in section 23(b) of this chapter with respect to an assessment date must be filed before the May 10 that next follows the assessment date.

~~(c)~~ (d) The application required by this section shall contain the following information:

(1) The name of the property owner.

(2) A description of the property for which a deduction is claimed

in sufficient detail to afford identification.

(3) The assessed value of the improvements on the property before rehabilitation.

(4) The increase in the assessed value of improvements resulting from the rehabilitation. ~~and~~

(5) The amount of deduction claimed.

~~(d)~~ **(e) The application required by this section may contain information to assist the township assessor in making the determination under section 22(d) of this chapter, including:**

(1) fair market value appraisals before and after the rehabilitation; and

(2) general market data on the extent to which particular types of rehabilitation add to the value of property.

(f) A deduction application filed under this section is applicable for:

(1) the year in for which the addition to assessed value is made deduction application is filed; and in

(2) each of the immediate immediately following four (4) years in which the property owner remains the property owner as of the assessment date;

without any additional application being filed.

~~(e)~~ **(g) On verification of the correctness of an application by the assessor of the township in which the property is located, the county auditor shall make the deduction."**

Page 3, between lines 5 and 6, begin a new paragraph and insert:

"SECTION 3. [EFFECTIVE UPON PASSAGE] (a) As used in this SECTION:

(1) "assessment date" has the meaning set forth in IC 6-1.1-1-2; and

(2) "rehabilitation" has the meaning set forth in:

(A) IC 6-1.1-12-18(b), as amended by this act; or

(B) IC 6-1.1-12-22(c), as amended by this act.

(b) For property taxes first due and payable after December 31, 2005, a property owner may file an application before July 1, 2005, for a deduction:

(1) under:

(A) IC 6-1.1-12-19(b)(2), as amended by this act; or

(B) IC 6-1.1-12-23(b)(2), as amended by this act; or

(2) first applicable to the assessment date in 2005 under:

(A) IC 6-1.1-12-20, as amended by this act; or

(B) IC 6-1.1-12-24, as amended by this act;

based on rehabilitation completed after March 1, 2004, and before March 2, 2005.

(c) This SECTION expires January 1, 2006."

Page 3, after line 8, begin a new paragraph and insert:

"SECTION 4. [EFFECTIVE JANUARY 1, 2006] IC 6-1.1-12-18 and IC 6-1.1-12-22, both as amended by this act, apply only to taxes

- 1 **first due and payable after December 31, 2005.**
- 2 **SECTION 5. An emergency is declared for this act."**
- 3 Renumber all SECTIONS consecutively.
(Reference is to HB 1097 as printed January 14, 2005.)

Representative Orentlicher